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SENSITIVE

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SUBJECT: INITIAL MEETING OF ECONOMIC AND ENERGY JOINT COORDINATION COMMITTEE

REF: BAGHDAD 00297

SENSITIVE BUT UNCLASSIFIED - PLEASE HANDLE ACCORDINGLY

Summary

¶11. (SBU) The first meeting of the Economic and Energy Joint Coordination Committee (JCC) met under the Strategic Framework Agreement on February 12. Five working groups were launched on the financial sector; oil and gas; trade and investment; electricity (new plants and investment); and industry and private sector development. Working groups co-chairs were introduced and instructed by Deputy Prime Minister Barham Salih and EMIN Wall, Coordinator for Economic Transition in Iraq, to develop work plans with near-term goals and report to the JCC by its next planned meeting in late March. Salih commented that the JCC would be a valuable tool in helping Iraq develop its private sector, better provide essential services to its people, and fulfill its international commitments. EMIN underscored the importance of tying JCC goals to supporting Iraq's effort to implement the International Compact with Iraq and the National Development Strategy, working closely with international organizations.
End summary.

Economic and Energy JCC Launched

¶12. (SBU) The first meeting of the Economic and Energy Joint Coordination Committee (JCC) under the Strategic Framework Agreement (SFA) was launched on February 12, 2009. Deputy Prime Minister (DPM) Barham Salih and Coordinator for Economic Transition in Iraq (CETI) Ambassador Marc Wall held an initial meeting to initiate the five Working Groups, which will implement SFA goals at the technical level. Salih commented that the JCC would be a valuable tool in helping Iraq develop its private sector, better provide essential services to its people, and fulfill its international commitments. In a sign of strong GOI support for the initiative, Iraqi Cabinet members, the Minister of Finance and the Governor of the Central Bank, also attended. DPM Salih and EMIN introduced U.S. and Iraqi Working Group co-chairs, and gave instructions to:

-- meet at least monthly;
-- develop work plans and early deliverables (next six months);
-- keep minutes of meetings and report back to the JCC by the next planned meeting in late March.

Five Working Groups

¶3. (SBU) The five working groups under the Economic and Energy JCC are:

-- Public Financial Management and Financial Issues: U.S. Co-Chair Treasury Attaché James Wallar; GOI Co-Chairs Dr. Sihan Al Shabibi, Central Bank of Iraq in coordination with Dr. Aziz Jaffar, Advisor to the Ministry of Finance.

-- Oil and Gas Working Group: U.S. Co-Chair Ed Parks, Department of Energy. GOI Co-Chair: Thamir Ghadhban, Chairman of the Prime Minister's Advisory Board in coordination with Mr. Hassan Al-Rufeiyeh, Director General, Ministry of Oil.

-- Trade and Investment Working Group: U.S. Co-Chair Economic Counselor Michael Dodman; GOI Co-Chair Dr. Abdulhadi Al-Himiri, Advisor to Ministry of Trade in coordination with Mr. Salar Mohammed Amin, Deputy Head of the National Investment Commission.

-- Electricity Sector (Investment and New Facilities): U.S. Co-Chair ITAO Terence Barnich; GOI Co-Chair Mr. Salam Qazzaz, Deputy Minister of Electricity in coordination with Mr. Salar Mohammed Amin, Deputy Head of the National Investment Commission.

-- Industry and Private Sector Development: U.S. Co-Chair OUSAID Director Chris Crowley; GOI Co-Chair Mr. Sami Al-Araji, Advisor, Ministry of Industry, in coordination with Dr. Faiq

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Abdulrasool, Advisor to Minister of Planning.

DEC, ICI and Business Forum

¶4. (SBU) Both Deputy Prime Ministers are keen to engage with the new U.S. administration. DPM Issawi previously expressed interest in leading a delegation of Ministers to meet with U.S. counterparts (reftel). DPM Barham Salih noted again on February 12 his strong interest in having a Dialogue on Economic Cooperation (DEC). He proposed the timeline of April in Washington D.C., possibly around the time of the World Bank/International Monetary Fund spring meetings. EMIN noted that it was unlikely that the new administration would have all of its sub-Cabinet appointments in place by then. EMIN added we would do our best to schedule it as soon as feasible. Salih responded that he would await a proposed timeframe from the USG side. Salih also suggested a senior U.S. business delegation visit to Baghdad, tied to the DEC, to which EMIN responded positively. Salih also proposed that the GOI host the next International Compact for Iraq Ministerial in Baghdad in May.

¶5. (SBU) EMIN underscored the importance of tying JCC goals to supporting Iraq's efforts to implement the International Compact with Iraq and the National Development Strategy, working closely with international organizations like the World Bank and IMF in private sector development. EMIN also called for timely passage in the Council of Representatives on three pending laws affecting economic engagement: the bilateral assistance agreement, the OPIC Investment Incentive Agreement and the Trade and Investment Framework Agreement.

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